

Enterprise Initiative: Updating the ST3 System Plan

Board of Directors

05/28/2026



Why we are here

Briefing purpose

- Review key features of Resolution No. R2026-11, which updates the ST3 System Plan
 - » *Why update ST3 now*
 - » *Adaptive program management plan and project delivery framework*
 - » *Affordable ST3 capital program and performance characteristics*
 - » *Cost savings and new capacity from Enterprise Initiative opportunities*
 - » *Financial capacity and risk management*
- Summarize changes in the substitute Resolution and Attachments A & B
- Overview of Resolution No. R2026-12

Resolution No. R2026-11

Why update the ST3 System Plan now?

- This process is required as part of the voter-approved ST3 ballot measure and done in consideration of the financial policies within ST3
- All subareas – and therefore the entire system – is out of compliance with voter-approved financial policies
- When the plan is unaffordable, there are legal limits to how the agency can spend money especially when committing significant sums of money that may jeopardize the whole program or other subareas

Principles guiding the Enterprise Initiative

Established by the Board via Motion No. M2025-36

Advance regional connectivity

- serve our population and job centers
- complete the regional transit spine
- benefit the whole region and achieve the objectives of ST3

Support future growth

- maintain and grow ridership
- align investments with current land use and future growth
- engender broad future support

Prioritize the passenger experience

- prioritize the riders' experience
- maximize connections and ridership
- keep everyone safe
- ensure our system is dependable

Protect public investments with fiscal integrity

- be careful stewards of public resources
- seek cost savings and efficiencies
- maintain strong oversight and accountability
- understand trade-offs

Board-established process elements

To help inform the Board on how to best achieve the planned outcomes of the Enterprise Initiative

- Engage communities through inclusive collaboration
- Build trust through transparent governance
- Drive decisions with data and insight

***Adaptive program
management plan & project
delivery framework***

ST3 program's scale and complexity necessitates a step up

01

We have the pieces and need to strengthen alignment.

Sound Transit is managing multiple concurrent mega-programs while continuing to mature as an operating organization. Stronger alignment across programs and initiatives is needed to support durable decision-making and responsible allocation of resources.

02

Changing conditions call for adaptability

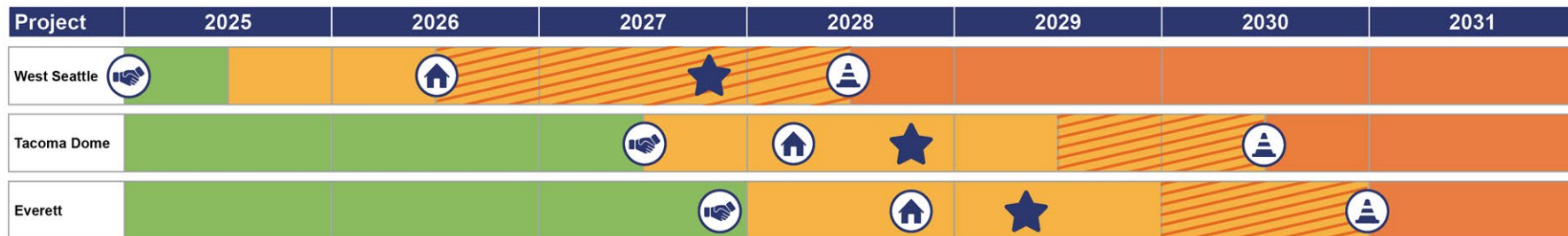
Today's dynamic environment necessitates a Board review process for costs, risks, and schedule that enables decision-making at key checkpoints while preserving program continuity. In parallel, we must explore additional revenue streams and cost savings.

03

Execution depends on all of us.

Adaptive program management will institute agencywide governance for how programs and projects are planned, controlled, and delivered. Improved visibility, stronger connectivity across programs, and rigorous reporting are essential to effective oversight.

Anticipated milestones for active Link projects



↑ Projects affordable through construction

Projects with construction not fully affordable ↓



Project Phases



Timeframes and durations shown are estimates based on current assumptions.

Unfunded

Milestones

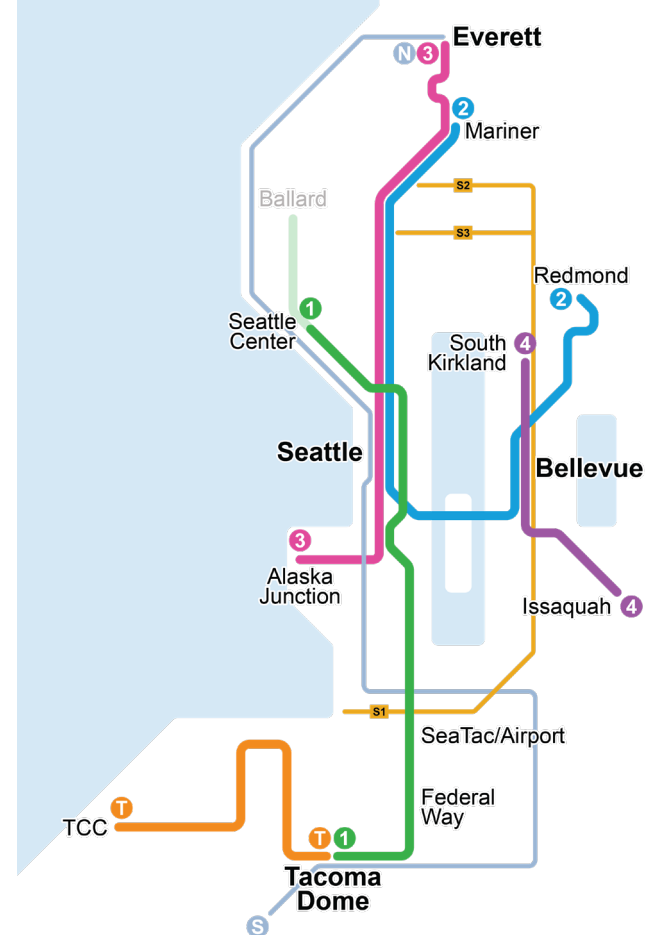
- Project to be built
- Start of major ROW acquisitions
- Approve project baseline
- Start of construction
- Start of service

***Affordable ST3
capital program***

Affordable ST3 capital program

Project categories

- Affordable within available resources
 - » *Fully funded projects*
 - » *Partially funded projects*
- Projects with unfunded construction phases or funded through planning/design
- Deferred projects



Affordable ST3 capital program

Affordable within available resources: \$57.5B

Fully funded projects: \$55.7B

- *Tacoma Dome Access Improvements: \$23M*
- *West Seattle Link (no Avalon Station): \$6.8B*
- *Tacoma Dome Link: \$6.6B*
- *Everett Link, phase 1: \$6.1B*
- *Ballard Link initial segment (Seattle Center): \$17.8B*
- *Everett Link, phase 2: \$3.4B*
- *T Line to Tacoma Community College (now 2043): \$1.7B*
- *South Kirkland to Issaquah (now 2050): \$8.4B*
- *Link OMF – South: \$2.5B*
- *Link OMF – North: \$2.1B*
- *Sounder Maintenance Base: \$315M*

Partially funded projects or projects funded through planning and design: \$1.8B

- *Ballard Link, through final design: \$300M*
- *Boeing Access Road Station, through final design: \$52M*
- *Graham Street Station, through final design: \$24M*
- *Sounder South Additional Trips, partially funded: \$1.1B*
- *Sounder Extension to DuPont (planning only): \$17M*
- *Regional Parking Fund: \$100M*
- *ST Express Bus Base (partially funded): \$100M*
- *ST4/High-Capacity Transit Corridor Studies (partially funded): \$106M*

Affordable ST3 capital program

Projects with construction or full delivery currently unfunded: \$9.3B-\$11.3B

- *Ballard Link (Seattle Center to Market Street): \$7B-\$9B*
- *Boeing Access Road Station: \$476M*
- *Graham Street Station: \$190M*
- *Souder South Additional Trips (remainder): \$500M*
- *Souder Extension to DuPont (final design and construction): \$865M*
- *ST4/High-Capacity Transit Corridor Studies (remainder): \$220M*

Affordable ST3 capital program

Deferred projects: \$2.5B

- Tacoma Dome Link Parking: **\$216M**
- Everett Link Parking: **\$285M**
- Stride Parking: **\$521M**
- North Sammamish Park & Ride: **\$60M**
- Edmonds & Mukilteo Parking and Access: **\$87M**
- Bus on Shoulder Project: **\$202M**
- SR 162 Corridor Improvements: **\$99M**
- Sounder South Platform Extensions: **\$457M**
- Sounder South Access Improvements: **\$277M**
- ST Express Bus Base (remainder): **\$335M**

Board Priorities	ST3 Baseline	Affordable ST3 Plan per R2026-11
Advance Regional Connectivity		
Spine completion	Yes (Everett to Tacoma Dome)	Yes (Everett to Tacoma Dome)
Regional centers served by rail	+6	+5
Support Future Growth		
Daily Sound Transit rail boardings*	650,000	600,000 (92% baseline)
Population & jobs with access to rail	+430,000	+360,000 (84% baseline)
Zero-vehicle households with access to rail	+13,000	+10,000 (77% baseline)
Passenger Experience		
Regional travel time reduction	High	Medium
Fiscal Integrity		
Program competitiveness	<i>Not applicable</i>	High
Project readiness	<i>Not applicable</i>	High

* Baseline ridership was updated for this Enterprise Initiative analysis

***Enterprise Initiative
workstream opportunities***

Enterprise Initiative workstream levers

Policy & planning: \$1.4B

- Updated Link service assumptions based on affordable ST3 capital program: **saves \$600M**
- Updated STX service assumptions: **saves \$300M**
- Discontinuation of Sounder N Line: **saves \$400M**
- Updated parking fee assumptions: **adds \$100M**

Capital delivery: \$22B-\$26B

- Cost savings opportunities: **saves \$8B-\$10B**
- Schedule delay + extending finance plan: **adds \$3B**
- Potential deferral of some projects: **saves \$11B-\$13B**

Transit operations: \$1.5B

- Updated resiliency and state of good repair assumptions: **saves \$600M**
- Updated light rail vehicle based on affordable ST3 capital program: **saves \$450M**
- Updated future staffing and administrative cost assumptions: **saves \$450M**

Finance: \$5.3B

- Use remaining rental car tax authority: **adds \$300M**
- Updated federal grant assumptions per affordable ST3 capital program: **adds \$4.8B**
- Anticipated savings from underspend on ST2 projects nearing closeout: **adds \$150M**

***Financial capacity and
program risk management***

ST3 System Plan update

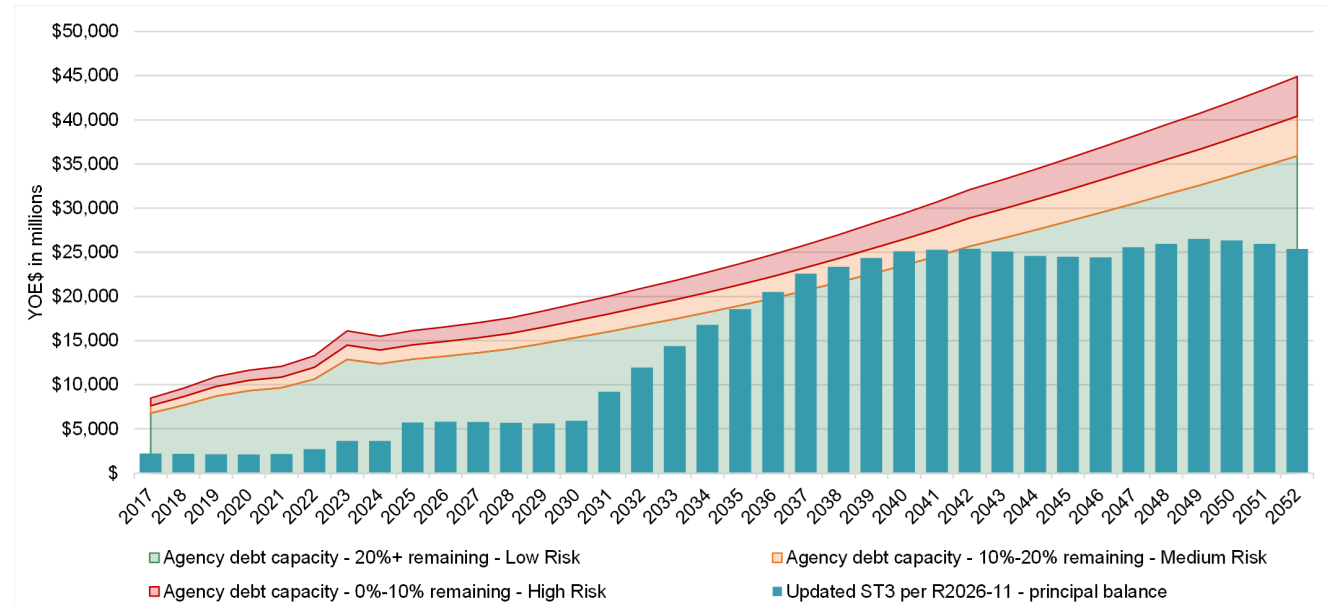
Maximizing available agency financial capacity

- The proposed ST3 System Plan update fully utilizes agency financial capacity
- Unanticipated fluctuations in costs or reductions in revenue could potentially require Board action to adjust the plan
- The program continues to carry financial and delivery risk, and the adaptive program management plan and project delivery framework are necessary to manage and mitigate that risk

Measuring program affordability

Legal debt capacity

- Our ability to issue debt to deliver the ST3 program is a main criteria for affordability
- We assess “headroom” between the principal balance of debt against statutory requirements related to assessed value of property
- The ST3 plan update approaches a level that requires more active risk management to withstand unanticipated fluctuations in costs or reductions in revenue



***Substitute Resolution
No. R2026-11***

Resolution No. R2026-11

Changes to the Resolution

- Updates recitals recognizing how **ST3 supports economic growth** and the **importance of service stability and reliability**
- Establishes an **Independent Oversight Program** to strengthen oversight and identify opportunities to improve cost, schedule, and financial outcomes
- Clarifies key project **decision-points for confirming project affordability** (i.e., off-ramps)
- Defines **specific conditions and criteria for moving partially funded projects** (i.e., on-ramps) into the affordable ST3 program
- Directs the agency to present **a plan for how state of good repair resources** in ST3 will be used
- Emphasizes the role of the six-year transit improvement plan **for helping ensure medium-term affordability** and keeping the overall ST3 program moving

Resolution No. R2026-11

Changes to Attachment A

- Identifies **baselined projects still advancing** with no impact from the Enterprise Initiative and updated ST3 System Plan (e.g., Stride BRT)
- Adds **cost information for projects** that are affordable within existing resources
- Commits the agency to **annual reporting on timelines, cost estimates, revenue forecasts, and a financial pathway** to deliver projects where construction is not currently affordable

Resolution No. R2026-11

Changes to Attachment B

- Commits to **incorporating an equitable decision-making framework** into the adaptive program management plan and project delivery framework
- Identifies **specific high-capacity transit corridor studies** to begin work on
- **Starts early work** on South Kirkland-Issaquah, T Line extension, and Sounder South additional trips and extension to DuPont
- Directs the agency to **coordinate with transit agency partners to pursue strategies for transit service impacts** based on the updated ST3 System Plan
- Directs the agency to **work with jurisdictional partners to pursue creative funding opportunities** to increase agency financial capacity
- Brings forward potential impacts of **changes to debt capacity and longer bond terms on agency financial capacity**

Resolution No. R2026-12

Rental car tax authorization

Uses remaining authority & increases agency financial capacity

- Authorizes remaining 1.372 percent sales and use tax on retail car rentals
- New rate of 2.172 percent tax rate would take effect on January 1, 2027
- Increases agency financial capacity by approximately \$300M over the life of the Long-Range Financial Plan

Thank you.



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